



**STATE BOARD OF EQUALIZATION**

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DOUGLAS D. BELL  
Executive Secretary  
No. 78/85

May 15, 1978

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 17

In compliance with your Legislative Committee's proposal that you be informed of the various property tax bills and amendments being proposed in the State Legislature, we submit to you those measures introduced or amended recently that have reached our office.

We are including only those bills or constitutional amendments that we feel are of importance to you as an assessor. Bills concerning the functions of the tax collector, auditor, and other county or special district officials will usually be excluded.

Copies of bills and amendments introduced may be obtained by placing orders with the Legislative Bill Room (State Capitol, Room 1149, Sacramento, 95814).

ASSEMBLY BILLS

No. 2295 - Amended May 8, 1978

An act to add Section ~~2230.5~~ 2229.5 to the Revenue and Taxation Code, relating to local agencies.

Existing law provides for the reimbursement to local agencies of costs incurred by such local agencies as a result of certain programs mandated by the state, and for the reimbursement of local agencies for tax revenue losses which are the result of certain legislation or executive orders. There is no provision mandating the reimbursement of local agencies for property tax revenues lost as a result of the acquisition of property by the state.

This bill would specify that the state shall reimburse special districts, other than school districts, for certain ~~tax revenues~~ ad valorem taxes levied by, or on behalf of, the special districts in order to meet the interest and redemption obligations for general obligation bonds lost as the result of ~~the acquisition~~ certain acquisitions of property by the state.

This bill would not become operative if Proposition 13 on the ballot for the statewide election on June 6, 1978 is approved by the voters.

No. 2342 - Amended May 3, 1978

An act to amend Sections 20505 and 20561 of the Revenue and Taxation Code, relating to property tax assistance, and making an appropriation therefor.

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ASSEMBLY BILLS (Contd.)No. 2342 - (Contd.)

Under existing law, qualified persons 62 years of age or older may make claims for payments of state funds as assistance for property taxes on their homes or rented residences.

This bill proposes to extend these provisions to persons who are disabled and would appropriate an unspecified amount from the General Fund to the Franchise Tax Board to fund property tax relief to disabled claimants.

This bill would go into effect only if Proposition 8 on the ballot for the June 6, 1978 statewide election is approved and Proposition 13 on such ballot is rejected by the voters or is declared unconstitutional by the courts before the effective date of this bill.

No. 2463 - Amended May 4, 1978

An act to ~~add Section 46482.5 to the Government Code~~ amend Section 20583 of, and to add Chapter 3.5 (commencing with Section 20640) to Part 10.5 of Division 2 of, the Revenue and Taxation Code, relating to property tax postponement, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Under existing law, qualified persons 62 year of age or older who own or rent their homes may claim state funds to reimburse them for a portion of the property taxes paid on their homes, and payment of the property taxes on homes owned by certain persons 62 years of age or older may be postponed.

This bill would provide for the postponement of property taxes by possessory interest holders, as defined.

Under existing law funds are continuously appropriated from the General Fund to the Controller to pay certificates or postponed property taxes.

This bill, by enlarging the number of persons who would be able to postpone property taxes, would affect such continuous appropriation.

This bill would take effect immediately as an urgency statute, and would apply to claims for postponement for the 1978-79 fiscal year and thereafter.

No. 2732 - Amended May 3, 1978

An act to add Section 15606.1 to the Government Code, to add Sections 18613.1 and 18613.2 to the Health and Safety Code, to add Sections 109.7, 6012.8, 6379, 10784, 11913, ~~20383.5~~ 20501.5 and 20505.5 to the Revenue and Taxation Code, to amend Section 5352 of, to add Article 11 (commencing with Section 5400) to Chapter 1 of Division 3 of, and to repeal Section 5350.6 of, the Vehicle Code, relating to mobilehomes, and making an appropriation therefor.

Existing law requires that mobilehomes shall be installed pursuant to specified regulations.

ASSEMBLY BILLS (Contd.)No. 2752 - (Contd.)

This bill would specify that the installation requirements for mobile-homes installed in any area shall not exceed such specified installation requirements of mobilehomes.

Existing Sales and Use Tax Law imposes a state sales or use tax on the sale or use of tangible personal property in the state, unless such sale or use is exempted for such tax. The gross receipts from the sale or use of certain mobilehomes are subject to such tax, while, for the period ending December 31, 1977, 40% of the sale price of factory-built housing is deemed to be the taxable gross receipts from such transaction.

This bill would provide that any new mobilehome sold after its effective date which is installed for occupancy as a residence and is subject to taxation shall be subject to local property taxation and would specify that the sales tax on a mobilehome shall be computed on the cost of materials used while under construction and that the dealer, as defined, shall be the consumer for such purposes. The bill would also exempt from sales and use taxes the gross receipts from the resale of mobilehomes which are originally sold new on and after July 1, 1979.

Under existing law, a state vehicle license fee tax is imposed at the rate of 2% of the market value of the vehicle, for the use of the state highways, which is in lieu of local property taxes. The market value of trailer coaches which must be moved under permit is determined according to a statutory depreciation schedule.

This bill would exempt any mobilehome which must be moved under permit from such in-lieu tax if the mobilehome is installed for occupancy as a residence after a specified date, and would subject to local property taxation those mobilehomes exempted from such in-lieu tax.

Under existing law, payments of state funds are made to renters 62 years of age or older on the basis of a percentage (determined by total household income) of the statutory property tax equivalent presumed to be paid by renters.

This bill would permit a senior citizen owner and occupier of a mobilehome subject to property taxation who rents or leases the space where the mobilehome is located to qualify for 50% of the applicable renters' tax assistance.

Pursuant to the Documentary Transfer Tax Act, cities and counties are authorized to impose a tax on each deed, instrument, or writing by which any lands, tenements or other realty sold shall be conveyed.

This bill would specify that the purchaser of a new mobilehome which is sold and installed shall be subject to such tax and would specify that mobilehomes held in the dealer's inventory shall be exempt from such tax.

Existing law requires payment of a vehicle registration fee for registering vehicles and mobilehomes as required by law. This bill would change such registration fee requirements for any mobilehome which must be moved under permit which was installed for occupancy as a residence after a specified date.

The bill would also appropriate \$14,200,000 from the General Fund to the State Controller for purposes of this bill.

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ASSEMBLY BILLS (Contd.)No. 2754 - Amended May 1, 1978

An act to amend Section 9255 of, to add Sections 243, 5012, 5014.5, 9261.5, and 10752 to, and to repeal Section 243 of the Vehicle Code, relating to vehicles, ~~and making an appropriation therefor.~~

A camper is defined, generally, as a structure providing facilities for human habitation, designed to be mounted upon a motor vehicle. A camper is not required to be registered or identified.

This bill would redefine campers, excluding structures which are permanently affixed to a motor vehicle, and would require that campers coming within this definition be issued identification plates by the Department of Motor Vehicles. The bill would provide that a fee of \$11 be charged for initial issuance of ~~an~~ a certificate of ownership, registration card, and identification plate and a fee of \$3 would be charged for a transfer.

The sale of a camper without a manufacturer's serial or identification number would be prohibited on or after July 1, 1979.

The bill would provide that, notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section for a specified reason.

No. 2789 - Amended May 8, 1978

An act relating to ~~apportionments to school districts~~ local taxing entities, and making an appropriation therefor.

Under existing law, the Superintendent of Public Instruction ~~is~~ and the Chancellor of the California Community Colleges are required to make various allowances and apportionments, to school districts and county superintendents of schools in the case of the superintendent, and community college districts respectively in the case of the chancellor.

This bill would require the Superintendent of Public Instruction and the chancellor to apportion funds to school districts, county superintendents of schools, and community college districts, as part of the 1978-79 ~~second~~ first principal apportionment in an amount based upon the difference ~~in local property tax revenues for the district~~ between the ~~1977-78 fiscal year and the~~ 1978-79 fiscal year revenue limits or maximum tax rate revenue proceeds and the sum of ~~its~~ the estimated 1978-79 state apportionment and estimated 1978-79 local property tax revenue.

This bill would appropriate an amount sufficient to make such apportionments from the unrestricted surplus of the General Fund.

This bill would not become operative unless Proposition 13 is adopted by the electors at the 1978 direct primary election.

This bill would also require county boards of supervisors to apportion local property tax revenue within a county in the 1978-79 fiscal year, using a method providing for the apportionment to each taxing entity of the same proportion of total county property tax revenues as it received in the 1977-78 fiscal year.

ASSEMBLY BILLS (Contd.)No. 2817 - Amended May 8, 1978

An act to ~~add Section 274 to~~ amend Sections 253.5, 255.3 and 531.6 of, and to add Sections 218.1, 255.5, and 255.9 to, the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

Under existing law, the homeowners' property tax exemption is in the amount of \$1,750, of the assessed value of qualified dwellings which are owned and occupied as the claimant's principal place of residence on the lien date, which is March 1.

This bill would permit a partial homeowners' exemption on dwellings which are purchased subsequent to the lien date where the property would have otherwise qualified for the homeowners' exemption if it had been owned by the claimant on the lien date.

The bill would also provide that if such property is sold to a person who does not intend to immediately occupy it as his or her principal place of residence, the homeowners' exemption would terminate as of the date of sale and the exemption would be reduced in proportion that the days remaining in the fiscal year bear to 365, such reduction to be treated as either a roll correction or as an escape assessment.

Existing law continuously appropriates money from the General Fund to compensate local governmental entities for property tax revenues lost by reason of the homeowners' property tax exemption.

This bill, by increasing the number of claimants who would be eligible for such exemption, would have the effect of increasing the amount of such appropriation.

This bill would further provide that notwithstanding Sections 2231 and 2234 of the Revenue and Taxation Code, there shall be no reimbursement nor appropriation made by this bill.

The bill would only become operative if Proposition 8 on the ballot for the Primary Election to be held on June 6, 1978, is approved by the voters, and Proposition 13 on such ballot is rejected by the voters.

No. 2773 - Amended April 24, 1978

An act to amend Section ~~42244~~ 56039 of the Education Code, as added by Chapter 1247 of the Statutes of 1977, relating to special school programs, ~~and making an appropriation therefor.~~

Existing law, operative July 1, 1978, permits exceptional children to be educated in nonpublic schools, under certain circumstances, pursuant to a contract with a school district. The school district may then submit a claim for the cost of such contract, and the Superintendent of Public Instruction is required to apportion to the district an amount based upon such claim. A reduction of 30% is specified in the formula for computing the apportionment.

This bill would provide that such reduction shall not exceed \$1,500 for any one pupil, except that beginning in the 1979-80 fiscal year such maximum reduction shall be increased annually by 6 percent.

ASSEMBLY BILLS (Contd.)No. 2871 - Amended May 4, 1978

An act to amend Section 205.5 of the Revenue and Taxation Code, relating to taxation.

Existing law exempts a portion of the residence of a veteran from taxation if the veteran, because of injury incurred in military service, is blind in both eyes, has lost the use of two or more limbs, or is totally disabled and extends the exemption to unmarried surviving spouses of such veterans.

This bill would make that exemption also applicable to veterans who are disabled because of disease incurred in military service.

The bill would also require the Controller to report the amount of claims of local agencies for state reimbursement of property tax revenues lost as a result of this enactment and would provide that no reimbursement shall be made to local agencies pursuant to Section 2231 of the Revenue and Taxation Code for a specified reason.

No. 2949 - Amended May 1, 1978

An act to amend Sections 246 and 4004 of, and to add Sections 224.2 and 224.4 to, Section 245 to the Public Utilities Code, relating to liquefied petroleum gas, and making an appropriation therefor.

Existing law does not regulate the production, processing, storage, transmission, delivery, or furnishing of specify the jurisdiction of the Public Utilities Commission over liquefied petroleum gas as a public utility operation storage facilities.

This bill would specify that the commission has primary responsibility for public safety in the construction, maintenance, and operation of liquefied petroleum gas facilities of 100,000 barrels or more capacity, except that this shall not limit the jurisdiction of the Division of Industrial Safety of the Department of Industrial Relations.

No. 2955 - Amended May 4, 1978

An act to amend Sections 41760.5, 42238, and 84730.5 of the Education Code, to amend Sections 27423 and 51117 of the Government Code, and to amend Sections 38303, 38904, and 38905 of the Revenue and Taxation Code, relating to timber taxation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Existing law provides for the special assessment of timberlands for purposes of property taxation and imposes a yield tax on timber.

This bill would prescribe community college districts and school districts apportionments respecting timber yield taxes and would permit specified allocations from the State Timber Tax Reserve Fund.

The bill would take effect immediately as an urgency statute.

No. 2980 - Amended May 2, 1978

An act to add Sections 11 and 12 to the Education Code, to amend Sections 29100, 50286, and 51511 of, and to add Sections 16101.5, 29100.8,

ASSEMBLY BILLS (Contd.)No. 2980 - (Contd.)

43004.5 to, the Government Code, to amend Section 33328 of, and to add Section 33670.5 to, the Health and Safety Code, to amend Sections 205.5, 328, 273.5, 275, 276, 401, 437, 619, 619.2, 722, 1016, 1637, 2611.5, 2905, 4836.5, 11251, 44404, 20542, and 20543 and 11401 of, and to add Sections 38, 39, 111, 155.01, 155.02, 201.1, 205.1, 401.1, 2217, 2260.5, and 2260.6 to, the Revenue and Taxation Code, and to add Sections 22 and 23 to the Welfare and Institutions Code, relating to property taxation, and making an appropriation therefor.

Under existing law, all property subject to general property taxation is annually assessed at 25% of its full cash value.

This bill would require such assessments be at full cash value and would require local agencies to adjust their property tax rates so that they will receive no additional revenue by reason of the change in the method of assessment.

The bill would make related and conforming changes and would appropriate an unspecified amount to the State Controller to reimburse local agencies for costs incurred by them by reason of the bill.

The bill would only become operative if ACA 76 of the 1977-78 Regular Session of the Legislature is approved by the voters.

No. 3189 - Amended May 4, 1978

An act to add Sections 230 and 230.5 to the Revenue and Taxation Code, relating to taxation.

Existing law authorizes local agencies to impose property taxes, within specified limitations, and exempts certain types of property from taxation pursuant to provisions of the California Constitution.

This bill would exempt from taxation, for a designated period of fiscal years, that portion of the full value of a qualified existing building or new construction which exceeds the full value of such building prior to the rehabilitation or new construction of such building if it is an area designated by the governing body of a city.

This bill would become operative only if Assembly Constitutional Amendment No.        /        /        /        / 81 of the 1977-78 Regular Session of the Legislature is approved by the voters.

No. 3498 - Amended May 8, 1978

An act to amend Section 228 of, and to add Part 5.8 (commencing with Section 11125) to Division 2 of, the Revenue and Taxation Code, relating to vessel taxes, and making an appropriation therefor.

Under existing law, undocumented vessels using the waters of this state are required to be registered and currently numbered. Noncommercial vessels of more than \$400 market value are generally subject to personal property taxation.

This bill would impose a personal property tax of 1% of the first \$50,000 of market value for the privilege of operating noncommercial vessels

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ASSEMBLY BILLS (Contd.)No. 3498 - (Contd.)

more than \$1,000 in value and all other vessels which are subject to registration upon the waters of this state, excluding sailing vessels, upon which a personal property tax of 1.5% of the first \$50,000 of market value would be imposed. The rate of tax applied to the market value of vessels in excess of \$50,000 shall be determined according to present law. This tax would be in lieu of all taxes according to value levied for state or local purposes on vessels of a type subject to registration under the Vehicle Code. The bill would also increase the property tax exemption of vessels to a market value of \$1,000 or less.

This bill would further specify that it does not apply to commercial and oceanographic research vessels, as defined.

This bill would appropriate the revenues from such provisions for specified state and local purposes and would appropriate an unspecified amount from the General Fund to the State Controller for reimbursement to local agencies for property tax revenues lost because of this act.

This bill shall not become operative if Proposition 13 on the ballot for the Primary Election to be held on June 16, 1978, is approved by the voters.

No. 3552 - Amended May 4, 1978

An act relating to county service areas, and declaring the urgency thereof, to take effect immediately.

Under existing law when a county service area is formed to provide specified services, taxes and assessments may not be levied for such purposes in the service area unless, on or before January 1 of the year in which the taxes and assessments are to be levied, a statement of the boundaries of the service area and a map of the boundaries are filed with the local assessor and the State Board of Equalization.

This bill would provide that a county service area formed to provide recreation services, the formation of which was completed by January 12, 1978, is effective for assessment and taxation purposes during the 1978-79 fiscal year if the required statements and map or plat were filed on or before January 18, 1978.

The bill would provide that notwithstanding Section 2231 of the Revenue and Taxation Code, no reimbursement of local agencies, or appropriation, is made, for a specified reason.

The bill would take effect immediately as an urgency statute.

No. 3566 - Amended May 8, 1978

An act to add Section 42238.7 to the Education Code, relating to school district taxes, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Under existing law, revenue limits are computed for school districts, and such revenue limits are used to compute the maximum tax rates of such districts, among other things. Further, existing law permits pupils in



ASSEMBLY BILLS (Contd.)No. 3566 - (Contd.)

their 7th and 8th grades in an elementary school district to be educated in a junior high school maintained by a high school district.

This bill would prescribe a formula for increasing the revenue limits of certain high school districts which maintain a junior high school in which pupils from one or more elementary school districts are in attendance.

Such formula would generally permit the high school district to raise a portion of the net difference, if any, between its revenue limit and the tuition paid to it by the elementary school district.

Existing law grants the homeowners' property tax exemption in the amount of \$7,000 of the full value of qualified dwellings and continuously appropriates state funds for subventions to local government to compensate for property tax revenues lost by reason of such exemption.

This bill would increase the amount of such appropriation by authorizing an increased rate of property tax.

This bill would take effect immediately as an urgency statute.

No. 3669 - Amended May 8, 1978

An act to add Sections 538 and 5152 to the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing law requires local property tax assessors to assess taxable property at full value.

This bill would require an assessor who believes a constitutional provision or statute to be invalid, and as a result thereof, concludes that property should be assessed in a manner contrary to such provision, or the assessor adopts an interpretation of such provision that adversely affects at least 5 assessees in that county, to bring an action for declaratory relief against the State Board of Equalization and to correct the property tax roll consistent with the judgment resulting from such action.

This bill would take effect immediately as an urgency statute.

No. 3774 - Introduced April 20, 1978

An act to amend Section 7.1 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), relating to water control, and declaring the urgency thereof, to take effect immediately.

Under existing law the Ventura County Flood Control District is empowered to collect fees in any zone as a condition of development of land, but the amount prescribed in any zone, other than a special zone, may not exceed \$400 for each acre of land to be developed.

This bill would remove the \$400 per acre maximum, allowing the district to prescribe and collect whatever fee is necessary for the purposes of the district.

The bill would take effect immediately as an urgency statute.

SENATE BILLSNo. 89 - Amended May 8, 1978

An act to add and repeal Section 998 ~~to~~ of the Revenue and Taxation Code, relating to inventory tax procedures.

Under existing law, with specified exceptions, business inventories are subject to property taxation, the same as all other taxable property, except that 50% of the assessed value of business inventories is exempt from such taxation; such exemption is increased in specified increments, annually, until 100% of the assessed value of business inventories is exempted for the 1982-83 fiscal year and thereafter. State funds are continuously appropriated to compensate local governments for revenues lost by reason of such exemption.

This bill would authorize an alternate method for determining the value of business inventories by permitting businesses, which have been doing business in the state for 5 consecutive years immediately before January 1, 1978, or any January 1 subsequent thereto, to compute the value of their inventories by an assumed value formula, rather than the actual value of the inventory on the lien date.

This bill would also provide that neither appropriation is made nor reimbursement to local agencies under Section 2229 or 2231 of the Revenue and Taxation Code for any costs incurred by it pursuant to this enactment.

The provisions of the bill would be repealed on January 1, 1982.

No. 1490 - Amended May 8, 1978

An act to add Sections 2511, 42243.7, and 85123 to the Education Code, to amend Sections 2231, 2236, 2250, 2253, 2253.2, 2253.5, and 2253.8 of, to add Sections 2206.8, 2237, 2255.1, and 2271.3 to, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing law specifies various procedures relating to claims that may be made to the State Controller for reimbursement to a local entity for costs mandated by the state.

This bill would revise such procedures and would take effect immediately as an urgency statute.

No. 1571 - Amended May 1, 1978

An act to amend Section 408.1 of the Revenue and Taxation Code, relating to taxation.

Under existing property tax law, the county assessor is required to maintain a list of property transfers in the county which is open to inspection by any assessee who has filed a timely application for reduction of his assessment before the local board of equalization or assessment appeals board, at the assessor's office upon payment of a specified fee.

This bill would make the list open to public inspection and revise the manner in which the assessor may establish a fee for such inspection.

SENATE BILLS (Contd.)No. 1656 - Amended May 4, 1978

An act to add Sections 44 and 42 to the Education Code, to add Sections 46404.5, 29400.8, 43004.5, and 50286 to the Section 11 to the Education Code, to amend Sections 29100, 50286, and 51511 of, and to add Sections 16101.5 and 43004.5 to, the Government Code, to amend Section 33328 of, and to add Section 33670.5 to, the Health and Safety Code, to amend Sections 205.5, 218, 273.5, 275, 276, 401, 437, 435, 619, 619.2, 722, 1606, 1637, 2611.5, 2905, 4836.5, 11251, 44404, 20542, and 20543 and 11401 of, and to add Sections 37, 38, 444, 455.04, 455.02, 204.4, 404.4, 2260.5, and 2260.6 to, the Revenue and Taxation Code, and to add Sections 22 and 23 to the Welfare and Institutions Code, to add Sections 135, 205.1, and 2260.5 to, the Revenue and Taxation Code, and to add Section 22 to the Welfare and Institutions Code, relating to property taxation and making an appropriation therefor.

Under existing law all property subject to general property taxation is annually assessed at 25% of its full cash value.

This bill would require such assessments be at full cash value for the 1980-81 fiscal year and fiscal years thereafter and would require local agencies to adjust their property tax rates so that they will receive no additional revenue by reason of the change in the method of assessment.

The bill would make related and conforming changes and would appropriate an unspecified amount to the State Controller to reimburse local agencies for costs incurred by them by reason of the bill.

The bill would not become operative unless S.C.A. 60 is approved by the voters.

No. 1706 - Amended May 3, 1978

An act to add Section 402.9 to the Revenue and Taxation Code, relating to taxation.

Existing provisions of law provide that, unless otherwise provided in the Constitution, all property is taxable and shall be assessed at the same percentage of fair market value, and further requires that all property so assessed shall be taxed in proportion to its full value.

This bill would require the assessor to use a capitalization of income method when valuing property for persons of low and moderate income which is financed under federal programs Section 236 of the federal National Housing Act.

The bill would also require the Controller to report the amount of claims of local agencies for state reimbursement of property tax revenues lost as a result of this enactment.

No. 1744 - Amended May 3, 1978

An act to add Section 2188.6 to the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

Under existing property tax law, tax liens attach to property on the first day of March preceding the fiscal year for which the taxes are

SENATE BILLS (Contd.)No. 1744 - (Contd.)

levied. Such lien would attach to an entire condominium project prior to the individual units being initially sold.

This bill would permit the initial buyer of an individual unit in a condominium project to request a separate assessment and tax bill on the unit, in which case the property tax due on the individual unit would constitute a lien solely on such unit, and the property taxes due on other units in the condominium project shall not be a lien on a unit on which there has been such separate assessment.

~~This bill would appropriate an unspecified amount from the General Fund to the State Controller for allocation and disbursement to local agencies for costs incurred by them pursuant to this act.~~

This bill would provide that notwithstanding Sections 2231 and 2234 of the Revenue and Taxation Code, there shall be no reimbursement nor appropriation made by this bill for a specified reason.

No. 1752 - Amended May 2, 1978

An act to amend Sections 469, 533, 534, 1605, 4831, 4986, 5096, and 5097 of the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

Under existing law, if property subject to property taxation has not been assessed or has been undervalued for assessment purposes, such property is subject to an escape assessment, subjecting it to taxation.

This bill would require the review, equalization and adjustment of the assessment of all property on the business premises where property is subjected to an escape assessment, unless such property has been equalized, and would provide for the refund of any overpayment of taxes which have been determined in such review to have been incorrectly assessed.

This bill would appropriate an unspecified amount from the General Fund to the State Controller for allocation and disbursement to local agencies to reimburse such agencies for costs incurred by them in the initial fiscal year pursuant to this act.

No. 1756 - Amended May 8, 1978

An act to amend ~~Section 4~~ Sections 4 and 5 of, and to repeal ~~Sections 2 and 5~~ Section 2 of, Chapter 1405 of the Statutes of 1974, relating to taxation, and making an appropriation therefor.

Existing law exempts from property taxation certain cargo containers principally used in the transportation of cargo by vessels in ocean commerce for fiscal years 1975-76 through 1978-79, and continuously appropriates funds from the General Fund to the Controller to reimburse local agencies for property tax revenues lost by reason of such exemption.

This bill would exempt these cargo containers from property taxation for ~~the~~ fiscal years 1979-80 ~~fiscal year and fiscal years thereafter~~ through 1982-83, and would continue the appropriation from the General Fund to the Controller to reimburse local agencies for such property tax revenues lost.

SENATE BILLS (Contd.)No. 1756 - (Contd.)

This bill would also provide that notwithstanding Sections 2231 and 2234 of the Revenue and Taxation Code, there shall be no reimbursement nor appropriation made by this bill for a specified reason.

No. 1782 - Amended May 3, 1978

An act to add and repeal Sections 230, 251, and 268 of the Revenue and Taxation Code, relating to property taxation.

Under existing Chapter 1183 of the Statutes of 1977, which will become operative only if Senate Constitutional Amendment No. 29 of the 1977-78 Regular Session of the Legislature is approved by the voters, the value added to certain dwellings by rehabilitating them (but not to exceed \$15,000) may be exempted from property taxation for a period of 5 years.

This bill, contingent upon the approval by the voters of an unspecified Senate Constitutional Amendment No. 61 of the 1977-78 Regular Session, would enact a similar exemption for 5 years for certain commercial and industrial property in an amount not to exceed \$5,000,000. The exemption would be repealed on February 28, 1985.

The bill would also provide that, notwithstanding Sections 2229 and 2231 of the Revenue and Taxation Code, there will be no reimbursements to local government for specified reasons, except that some costs will be paid in the 1979-80 Budget Act.

The bill would not become operative unless the "Jarvis-Gann Initiative" is rejected by the voters.

No. 1932 - Amended May 4, 1978

An act to amend Sections 5.1 and 5.2 of, and to add ~~Section 5.8~~ Sections 5.8 and 5.9 to, the North Delta Water Agency Act (Chapter 283 of the Statutes of 1973), relating to the North Delta Water Agency.

Under existing law, the North Delta Water Agency is required annually to apportion the amount of money to be assessed for general agency purposes among the counties within which lands lying within the agency are located on the basis of the ratio of the assessed value of the taxable land within the agency shown on the last equalized assessment roll of each county to the total assessed value of all the taxable land within the agency, and the board of supervisors of each such county is required to levy and collect such assessment together with county taxes. Existing law also limits the assessment rate for each \$100 of assessed valuation.

This bill would change the basis for apportioning such agency assessment among such counties to the ratio of the acreage of the taxable land within the agency shown on the last equalized assessment roll of each county to the total acreage of all the taxable land within the agency.

The bill would also authorize any city, reclamation, irrigation, or water district or other public agency having authority to furnish a water supply and located in whole or in part within the agency to pay for the benefits received within the entity from the operation of the agency on the

SENATE BILLS (Contd.)No. 1932 - (Contd.)

basis of the ratio between the acreage subject to assessment contained in the entity and in the entire county in lieu of the assessment otherwise imposed by the agency upon the landowners within the entity. The bill would prescribe the procedure for making such an election or rescinding such an election and for making such payments, and would prescribe related matters.

The bill would authorize the agency board under specified circumstances to direct a county to collect all assessments within that county on the basis of acreage, and would require the agency to reimburse the county for any additional costs.

The bill would increase the maximum assessment rate for general agency purposes to 20 cents for each \$100 of assessed valuation.

The bill would provide that there shall be no reimbursement for any state-mandated local program for a specified reason.

No. 1941 - Amended May 4, 1978

An act to amend Section 155.1 of the Revenue and Taxation Code, relating to taxation.

Existing law permits the reassessment of property damaged or destroyed by major misfortune or calamity.

This bill would ~~make a nonsubstantive technical change in that provision of law~~ provide that "damage" also includes diminution in value attributable to reduction of income in agricultural lands caused by a major misfortune or calamity and would require the assessor to assess the land by a specified method.

No. 2006 - Amended May 8, 1978

An act to amend Sections 202 and 270 of, and to add Sections 202.2 and 271.1 to, the Revenue and Taxation Code, relating to taxation ~~making an appropriation therefor~~, and declaring the urgency thereof, to take effect immediately.

Existing provisions of the California Constitution exempt property used exclusively for public schools from property taxation. Case law has established that the exemption also applies to property used exclusively for the public schools which is not owned by such schools and has applied such exemption to the University of California.

This bill would specify that property used exclusively for community colleges, state colleges and state universities, including the University of California shall be exempted as is specified in the California Constitution.

Under existing law, a lessor is subject to property taxes on property owned and leased by such lesser, but is not required to reduce a lessee's lease payments due to the reduction of property taxes attributable to the exemption of property on the basis it is used exclusively by the lessee.

SENATE BILLS (Contd.)No. 2006 - (Contd.)

This bill would require a lessor to reduce lease rental payments on property which receives the benefit of an exemption on the basis such property is used for certain public libraries and museums or used exclusively for public schools, community colleges or state universities, including the University of California.

Existing law provides for the cancellation or refund of a specified portion of the property taxes on property as to which certain exemptions, including the public schools exemption, were available, but for which a timely application was not filed, if such exemption is thereafter claimed according to a specified procedure.

This bill would specify that such tax cancellation or refund procedure applies to community colleges, state colleges and state universities.

Existing law authorizes the cancellation or refund of any tax, or penalty or interest thereon, imposed on property owned by an organization qualified for certain exemptions, if such property is acquired by such organization after the lien date but before the first day of the fiscal year, and for apportionate cancellation or refund of taxes on property acquired by such organization during the fiscal year.

This bill would provide substantially similar provisions for the cancellation or refund of taxes on property used for certain libraries and museums or property used exclusively for public schools, community colleges, state colleges or state universities.

This bill would take effect immediately as an urgency statute.

No. 2052 - Amended May 1, 1978

To change various sections of various codes.

Existing law directs the Legislative Counsel to advise the Legislature from time to time as to legislation necessary to maintain the codes and legislation necessary to codify such statutes as are enacted from time to time subsequent to the enactment of the codes.

This bill would restate existing provisions of law to effectuate the recommendations made by the Legislative Counsel to the Legislature for consideration during 1978, and would not make any substantive change in the law.

SIGNED BY THE GOVERNOR

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
AB 1840	123	May 3, 1978	Immediately

An act to amend Section 2506 of, and to add Section 2506.1 to, the Education Code, to amend Section 27421 of the Government Code, to amend Section 17052.6, as added by Chapter 1079 of the Statutes of 1977, to amend Sections 253.6, 401.6, 1603.5, 2132, 2261, 2261.1, 2263, 2264, 2265, 2286, 2296, 2297, 2298, 2350, 2351, 2354, 2355, 2611.5, 17206.5, 17384, 18212,

SIGNED BY THE GOVERNOR (Contd.)

No. 1840 - (Contd.)

18433, 20503, 20542, 23602, 24427, 24497, 50000, and 50017 of to amend and renumber Section 17052.6, as added by Chapter 1100 of the Statutes of 1977, to add Sections 253.7, 2281, 2325.2, 2356, 17737.5, 20505, 20542, and 24443 to, and to repeal Sections 2263.4, 2266.1, 2266.2, 2266.5, 20505, 20505.2, and 20542 of, the Revenue and Taxation Code, to amend Sections 12400 and 14150 of the Welfare and Institutions Code, and to amend Sections 43, 46, and 47 of Chapter 24 of the Statutes of 1978, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Under the existing Personal Income Tax Law and Bank and Corporation Tax Law, stock owned by persons having a specified relationship to the taxpayer is treated as being owned by the taxpayer, for purposes of determining gain from those transfers of stock which are taxable.

This bill would eliminate those provisions which treat such stock as being owned by the taxpayer, for such purposes, except for certain stock held in trust or certain stock owned by a partner or beneficiary of an estate.

Under existing provisions of Personal Income Tax Law, the taxation of gains from disposal of realty is computed on specified base periods.

This bill would revise those specified dates.

Under existing provisions of Personal Income Tax Law, a deduction for amounts distributed currently is allowed in determining taxes for certain trusts.

This bill would specify that any amount, within specified limitations, distributed by certain cemetery perpetual care funds for the care and maintenance of certain gravesites for which there is an obligation to furnish care and maintenance shall be considered a distribution solely for purposes of such authority to deduct such amounts in determining taxable income.

Under existing provisions of Personal Income Tax Law, a reasonable extension of time for filing any return or document or for payment of any tax required by such law may be granted by the Franchise Tax Board whenever in its judgment good cause exists.

This bill would require that the Franchise Tax Board determine that good cause exists in granting a reasonable extension for payment of tax and would authorize such board to grant a reasonable extension of time for filing returns and documents without determining that good cause exists.

The Personal Income Tax Law limits the deduction of expenses for foreign conventions.

This bill would limit such deductions under the Bank and Corporation Tax Law.

Under existing law, qualified persons 62 years of age or older who own or rent their homes may claim state funds to reimburse them for a portion of the property taxes paid on their homes.

This bill would provide that unmarried surviving spouses, regardless of age, may claim such state funds if Proposition 8 on the ballot for



SIGNED BY THE GOVERNOR (Contd.)

No. 1840 - (Contd.)

June 6, 1978 is approved and Proposition 13 on that ballot is rejected.

Existing provisions of the Personal Income Tax Law authorize the deduction of certain casualty losses in the taxable year preceding the taxable year in which the disaster occurred, if such a loss is attributable to a disaster occurring in an area subsequently determined by the President of the United States to warrant assistance by the federal government under the Disaster Relief Act of 1970.

This bill would revise such deduction authorization to apply to losses attributable to a disaster occurring in an area subsequently determined by the President of the United States to warrant assistance by the federal government under an applicable federal disaster act, instead of specifying the Disaster Relief Act of 1970.

Existing provisions of the Bank and Corporation Tax Law authorize certain accrual basis taxpayers to deduct accrued expenses or interest when paid, rather than when accrued.

This bill would eliminate such authorization.

This bill would make technical changes to provisions of Chapter 24 of the Statutes of 1978, would revise procedures for the administration of taxes pursuant to such act, and would eliminate that provision of such act which would repeal a provision of such act requiring assessors to identify properties subject to taxation as owner-occupied dwellings if Proposition 8 on the June 6, 1978, ballot is not approved by the voters or Proposition 13 on such ballot is approved by the voters.

This bill would take effect immediately as an urgency statute, but its operative effect would depend upon its effective date.

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
AB 2525	115	May 1, 1978	Immediately

An act to amend Section 5 of Chapter 476 of the Statutes of 1977, relating to providing property tax assistance on nonirrigated land used for producing feed for livestock or planted crops in areas declared to be in a state of disaster by reason of drought conditions, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Chapter 476 of the Statutes of 1977, among other things, provided for state assistance for property taxes to owners or lessees of nonirrigated land in an area declared to be in a state of disaster due to the drought if such owners or lessees met specified requirements and made application for such assistance on or before December 15, 1977.

This bill would authorize such assistance for qualified owners and lessees meeting such qualifications if they make application for such assistance during the period commencing May 1, 1978, and ending May 31, 1978, inclusive, and would provide for the proration of such assistance, if the total amounts of assistance exceed the total amount appropriated.

TO COUNTY ASSESSORS

-18-

May 15, 1978

SIGNED BY THE GOVERNOR (Contd.)

No. 2525 - (Contd.)

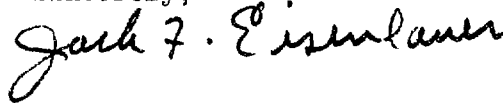
Chapter 476 of the Statutes of 1977 also appropriated \$10,000,000 from the State General Fund to provide such assistance.

This bill, by extending the filing period, would make additional expenditures possible from such appropriation.

This bill would take effect immediately as an urgency statute.

Appropriation: yes.

Sincerely,

A handwritten signature in cursive script that reads "Jack F. Eisenlauer". The signature is written in dark ink and is positioned above the typed name.

Jack F. Eisenlauer, Chief  
Assessment Standards Division

JFE:ebv